

**65.6851 Option to impose assessment fee on certain newly created jobs --
Limitation on amount -- Tax credit for assessed employees -- Restriction on
multiple assessments -- Termination -- Requirements to exercise option --
Transition provisions.**

For any development area for which increments do not include revenues from the Commonwealth:

- (1) Any governing body establishing a development area may impose an assessment on each person employed in the development area, as a condition of employment, whose job was newly created as a result of a project, and as determined by the policies and procedures established by the governing body, subject to the conditions in subsection (6) of this section, and who is subject to the state tax imposed by KRS 141.020. A job shall not be deemed to be newly created under this section if it occurs due to the relocation of jobs from another location within the Commonwealth.
- (2) Subject to KRS 65.6853, the total assessment levied by any governing body within the development area shall not exceed an amount equal to two percent (2%) of the gross wages of the employee.
- (3) Each person so assessed shall be entitled to credits against any local occupational license fee or payroll tax of the governing body that established the development area and the job development assessment fee, if an occupational license fee is then levied by that governing body and is not otherwise totally used as a credit against assessments imposed under Subchapter 23, 24, or 26 of KRS Chapter 154, and provided that the amount does not exceed the amount of the occupational licensing fee or payroll tax paid to that local government by the employee. If the governing body that created the job development assessment fee has no occupational license fee, the employee shall not be entitled to receive a credit against any other governmental agency's occupational license fee.
- (4) Subsequent to the establishment of a development area by one (1) governing body, no other governing body may levy an assessment in any portion of the development area that would cause the total assessment in any portion of the development area to exceed two percent (2%) of the gross wages of the employee, subject to KRS 65.6853. If more than one (1) governing body jointly establishes a development area, the governing bodies that establish the development area shall agree upon the amount of the assessment and the manner by which the assessment is to be prorated among the governing bodies establishing the development area.
- (5) Any assessment of employees in connection with their employment at a project levied under this section shall permanently lapse on the date:
 - (a) Any bonds issued in connection with acquiring or developing the infrastructure of a development area, in accordance with KRS 65.680 to 65.699, are retired; or
 - (b) Any loans or other financing incurred in connection with the establishment of a development area mature or are prepaid in full.
- (6) For the purposes of this section:

- (a) The development area shall be a previously undeveloped tract of land;
 - (b) No more than five hundred (500) acres may be approved in any twelve (12) month period in any county; and
 - (c) Acceptable developments shall be limited to projects as defined in KRS 65.680.
- (7) Any agency that has established a development area under KRS 65.680 to 65.699 prior to July 15, 2002, unless otherwise approved by the agency, shall continue to operate under the provisions of KRS 65.680 to 65.699 as determined by the policies and procedures established by the agency prior to July 15, 2002.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 153, sec. 2, effective June 20, 2005. -- Amended 2002 Ky. Acts ch. 338, sec. 6, effective July 15, 2002. -- Created 2001 Ky. Acts ch. 133, sec. 2, effective June 21, 2001.